

Financial Statements of
Sussex Area Community Foundation Incorporated
(Unaudited)
Year ended July 31, 2022

Chris Miller CPA
Professional Corporation

Sussex Area Community Foundation Incorporated

Year ended July 31, 2022

Table of Contents

Review Engagement Report	1
Statement of Financial Position	2
Statement of Operations and Changes in Net Assets	3
Statement of Cash Flows	4
Notes to Financial Statements	5-9

Chris Miller CPA
Professional Corporation

55 Broad St.
Sussex, NB
E4E 2J7

Tel.: (506) 433-2942
Fax: (506) 433-2912
Email: cmiller@nb.aibn.com

INDEPENDENT PRACTITIONER'S REVIEW ENGAGEMENT REPORT

To the Board of Directors of
Sussex Area Community Foundation Incorporated

I have reviewed the accompanying financial statements of Sussex Area Community Foundation Incorporated that comprise of the statement of financial position as at July 31, 2022 and the statements of operations, changes in net asset and cash flows for the year then ended, and a summary of significant accounting policies and other explanatory information.

Managements Responsibility for the Financial Statements

Management is responsible for the preparation and fair presentation of these financial statements in accordance with Canadian accounting standards for not for profit enterprises, and for such internal control as management determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

Practitioner's Responsibility

My responsibility is to express a conclusion on the accompanying financial statements based on my review. I conducted my review in accordance with Canadian generally accepted standards for review engagements, which require me to comply with relevant ethical requirements.


A review of financial statements in accordance with Canadian generally accepted standards for review engagements is a limited assurance engagement. The practitioner performs procedures, primarily consisting of making inquiries of management and others within the entity, as appropriate, and applying analytical procedures, and evaluates the evidence obtained.

The procedures performed in a review are substantially less in extent than, and vary in nature from, those performed in an audit conducted in accordance with Canadian generally accepted auditing standards. Accordingly, I do not express an audit opinion on the financial statements.

Conclusion

Based on my review, nothing has come to my attention that causes me to believe that the financial statements do not present fairly, in all material respects, the financial position of Sussex Area Community Foundation Incorporated as at July 31, 2022 and the results of its operations and its cash flows for the year then ended in accordance with Canadian accounting standards for not for profit enterprises.

Sussex, New Brunswick
November 16, 2022


Chris Miller CPA Professional Corporation
Chartered Professional Accountant

Sussex Area Community Foundation Incorporated

Statement of Financial Position

(Unaudited)

July 31, 2022 and 2021

	<u>2022</u>	<u>2021</u>
ASSETS		
Current Assets		
Cash	\$ 44,708	\$ 73,816
Accounts receivable	2,436	3,245
Prepaid expenses	<u>1,185</u>	<u>1,169</u>
	48,329	78,230
Investments at Market Value (Note 3)	2,238,048	2,273,849
Security deposit	<u>490</u>	<u>490</u>
	<u>\$ 2,286,867</u>	<u>\$ 2,352,569</u>
LIABILITIES AND NET ASSETS		
Current Liabilities		
Accounts payable and accrued liabilities	\$ 4,339	\$ 3,946
Scholarships and Grants payable (Note 4)	<u>24,500</u>	<u>20,000</u>
	<u>28,839</u>	<u>23,946</u>
Net Assets		
Distributable Income Fund	73,739	62,640
EJ Cunningham Scholarship Fund	81,524	65,278
Community Fund	1,965,728	2,014,101
Friars Fund	51,013	54,995
PotashCorp Fund	<u>86,024</u>	<u>131,609</u>
	<u>2,258,028</u>	<u>2,328,623</u>
	<u>\$ 2,286,867</u>	<u>\$ 2,352,569</u>

Commitment (Note 8)

See accompanying notes to financial statements

Approved by the Board:

 _____ Chair

 _____ Treasurer

Sussex Area Community Foundation Incorporated

Statement of Operations and Changes in Net Assets

(Unaudited)

Years ended July 31, 2022 and 2021

	<u>Distributable Income Fund</u>	<u>Community Funds Note 9</u>	<u>Cunningham Fund</u>	<u>Friars Fund</u>	<u>PotashCorp Fund</u>	<u>Total 2022</u>	<u>Total 2021</u>
Revenue							
Donations and bequests	\$ 33,590	\$ 4,056	\$ 20,000	\$ -	\$ -	\$ 57,646	\$ 38,513
Donations - Sussex High Alumni Fund	-	1,299	-	-	-	1,299	1,539
Donations - Arts and Culture Centre	-	35,016	-	-	-	35,016	76,071
Donations - MacLeod Fund	-	15,000	-	-	-	15,000	-
Fundraising	3,444	-	-	-	-	3,444	2,694
Interest and dividends	41,675	12,819	2,312	1,678	4,533	63,017	43,226
Realized gain - sale of investments	-	21,692	274	223	136	22,325	272,649
	<u>78,709</u>	<u>89,882</u>	<u>22,586</u>	<u>1,901</u>	<u>4,669</u>	<u>197,747</u>	<u>434,692</u>
Expenses							
Investment management fees (Note 5)	-	21,397	818	665	1,905	24,785	21,841
Rent	6,751	-	-	-	-	6,751	6,531
Telephone	1,345	-	-	-	-	1,345	1,343
Website	220	-	-	-	-	220	220
Advertising	-	-	-	-	-	-	499
Office supplies and postage	1,464	-	-	-	-	1,464	1,384
Audit and legal	1,592	-	-	-	-	1,592	1,140
Insurance	959	-	-	-	-	959	864
Membership dues	950	-	-	-	-	950	988
Conference, travel, and meeting	-	-	-	-	-	-	40
Fundraising	-	-	-	-	-	-	355
Wages and employee benefits	20,576	-	-	-	-	20,576	19,526
Fund Administration Fee	(12,230)	3,720	1,195	825	6,490	-	-
	<u>21,627</u>	<u>25,117</u>	<u>2,013</u>	<u>1,490</u>	<u>8,395</u>	<u>58,642</u>	<u>54,729</u>
Excess (Deficiency) revenue over expenses before other items	57,082	64,765	20,573	411	(3,726)	139,105	379,963
Grant distributions (Note 7)	<u>45,983</u>	<u>14,117</u>	<u>2,000</u>	<u>2,500</u>	<u>32,536</u>	<u>97,136</u>	<u>60,639</u>
Excess (Deficiency) revenue over expenses before unrealized loss - investments	11,099	50,648	18,573	(2,089)	(36,262)	41,969	319,324
Unrealized loss on investments	<u>-</u>	<u>(99,021)</u>	<u>(2,327)</u>	<u>(1,893)</u>	<u>(9,323)</u>	<u>(112,564)</u>	<u>(98,468)</u>
Excess (Deficiency) revenue over expenses	11,099	(48,373)	16,246	(3,982)	(45,585)	(70,595)	220,856
Net Assets, beginning of year	<u>62,640</u>	<u>2,014,101</u>	<u>65,278</u>	<u>54,995</u>	<u>131,609</u>	<u>2,328,623</u>	<u>2,107,767</u>
Net Assets, End of Year	<u>\$ 73,739</u>	<u>\$ 1,965,728</u>	<u>\$ 81,524</u>	<u>\$ 51,013</u>	<u>\$ 86,024</u>	<u>\$ 2,258,028</u>	<u>\$ 2,328,623</u>

Note 9

See accompanying notes to financial statements

Sussex Area Community Foundation Incorporated
Statement of Cash Flows
(Unaudited)
Years ended July 31, 2022 and 2021

	<u>2022</u>	<u>2021</u>
Operating Activities		
Revenue (deficiency) over Expenses	\$ <u>(70,595)</u>	\$ <u>220,856</u>
	(70,595)	220,856
Changes in Non-Cash Working Capital Items		
Accounts Receivable	809	(2,193)
Prepaid Expense	(16)	(207)
Accounts Payable	<u>4,893</u>	<u>(3,475)</u>
	<u>(64,909)</u>	<u>214,981</u>
Investing Activities		
Change in Investments	<u>35,801</u>	<u>(193,070)</u>
Increases (Decrease) in Cash	(29,108)	21,911
Cash, Beginning Balance	<u>73,816</u>	<u>51,904</u>
Cash, Ending Balance	<u>\$ 44,708</u>	<u>\$ 73,816</u>

See accompanying notes to financial statements

Sussex Area Community Foundation Incorporated

Notes to the Financial Statements
(Unaudited)
Years ended July 31, 2022 and 2021

1. Operations

Sussex Area Community Foundation Incorporated (the "Foundation") was incorporated under the Province of New Brunswick Companies Act on August 1, 2003.

The Foundation is registered with the Charities Division, Canada Revenue Agency, and is classified as a public foundation. As such, it is exempt from income taxes and can issue charitable donation receipts.

The Foundation is a philanthropic organization focused on building permanent endowments in order to tackle long-term community challenges as well as meeting immediate needs. The Foundation serves the people of Sussex and the surrounding area by providing grants for projects that will positively affect our communities.

2. Accounting Policies

The following accounting policies used by the Foundation are stated below to assist in understanding the financial statements.

General

The financial statements have been prepared in accordance with Canadian generally accepted accounting standards for not-for-profit organizations.

Fund Accounting

The accounts of the Foundation are maintained in accordance with the principles of "fund accounting". Under these principles, resources are classified for accounting and reporting purposes into funds that are in accordance with specified activities or objectives.

Distributable Income Fund

The Distributable Income Fund reports all revenue, expenses and net assets of the Foundation which are available for distribution within the guidelines of the Foundation. Net expenditures of this fund are financed primarily by donor contributions directed to general operations and from investment income earned on the Community Fund contributions on which the donor placed no restrictions.

EJ Cunningham Fund

The EJ Cunningham Scholarship Fund was established in 2008 with the purpose of providing grant scholarships to graduates of area high schools

Community Fund

The Community Fund reports amounts that are required to be maintained by the Foundation on a permanent basis.

Friars Fund

The Friars Family Scholarship Fund was established in 2018 with the purpose of providing grant scholarships to graduates of area high schools.

PotashCorp Fund

The Potash Corporation of Saskatchewan provided a gift of \$375,000 in 2016 to establish the PotashCorp Fund and requested the Sussex Area Community Foundation administer the fund. Five scholarships of \$2,500 each, were awarded annually for four years, 2016 through 2019. The remainder of the fund has been invested and provides annual grants to qualified local donees. The fund is to be fully distributed 10 years from the date it was established.

Cash and Cash Equivalents

Cash is defined as cash on hand and cash on deposit, net of cheques issued and outstanding at the reporting date. Cash does not include any balances held within the investment accounts.

Investments

Investments are recorded at market value. Changes in market value of investments are reflected in the fund balances. Realized and unrealized gains and losses are recorded in the year they occur.

The Board exercises discretionary control over the investment of these assets through external investment fund managers within guidelines established by the Board of Directors.

Financial Instruments

Financial instruments consist of cash, accounts receivable, investments and accounts payable and accrued liabilities. Unless otherwise noted it is management's opinion that the Foundation is not exposed to significant interest, currency or credit risk.

Chris Miller CPA
Professional Corporation

Sussex Area Community Foundation Incorporated

Notes to the Financial Statements
(Unaudited)
Years ended July 31, 2022 and 2021

2. Accounting Policies - continued

Property, plant and equipment

Property, plant and equipment are recorded at cost. The Foundation provides for amortization using the straight-line method at rates designed to amortize the cost of the property, plant and equipment over their estimated useful lives.

The amortization rate is as follows:

Computer Equipment	20%
--------------------	-----

Revenue Recognition

The Foundation follows the restricted fund method of accounting for contributions. Contributions are recognized only as received, or receivable if the amount can be reasonably estimated and collection is reasonably assured.

Expenses

Expenses are recorded using the accrual basis.

Contributed Services

During the year, a number of volunteers contribute a significant amount of their time to the Foundation. Because of the difficulty in determining the fair value, contributed services are not recorded in the financial statements.

Use of Estimates

The preparation of the financial statements in conformity with Canadian generally accepted accounting principles requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities at the date of the financial statements and reported amounts of revenue and expenses during the reporting period. Actual results could differ from those estimates.

3. Investments at Market Value

	<u>2022</u>		<u>2021</u>	
		<u>%</u>		<u>%</u>
Short Term	\$ 59,169	2.6	\$ 140,145	6.2
Fixed Income	811,026	36.2	887,337	39.0
Equities				
Canada	774,667	34.6	655,248	28.8
United States	593,186	26.5	570,008	25.1
Multi-Asset	-	0.0	21,111	0.9
	<u>\$ 2,238,048</u>	<u>100</u>	<u>\$ 2,273,849</u>	<u>100</u>

4. Scholarships and Grants Payable

	<u>2022</u>	<u>2021</u>
SACFI Scholarships	\$ 13,000	\$ 13,000
Earl J. Cunningham Scholarships	2,000	2,000
Friars Family Scholarships	2,500	1,500
Sussex High Alumni Fund	500	500
Simpson Scholarships	2,000	1,000
Opportunity Scholarship	1,000	1,000
MacLeod Fund	500	-
Unsung Hero (Class of 1998) Scholarships	<u>3,000</u>	<u>1,000</u>
	<u>\$ 24,500</u>	<u>\$ 20,000</u>

5. Investment Management Fees

Quarterly investment management fees are allocated proportionately to the Community Fund, the Designated Funds and the PotashCorp Fund based on market value of investments.

6. Net Assets - Community Fund

The total net assets of the community fund includes the net assets held for various other funds totaling \$206,682. The stated amount is held for the ongoing activities of the following: Sussex High Alumni, Simpson Scholarship, Sussex Accessibility, AX Heritage Fund, Unsung Hero (Class of 1998) and Ellen's Tour funds.

Chris Miller CPA
Professional Corporation

Sussex Area Community Foundation Incorporated

Notes to the Financial Statements
(Unaudited)
Years ended July 31, 2022 and 2021

7. Grant Distributions

	<u>2022</u>	<u>2021</u>
Distributable Income Fund:		
Agricultural Museum of New Brunswick Inc.	\$ 850	\$ -
Apohaqui Elementary School	150	125
Arts and Culture Centre of Sussex	3,267	523
Belleisle Elementary School	-	125
Belleisle Regional High School	1,525	125
Cambridge Narrows Community School	150	125
Compass Sussex	150	-
Compassionate Grief Centre of Southern NB	2,676	-
Family & Child Education Anglophone South	2,600	2,886
Kings County Historical Archival Society	850	-
Kingswood University	150	125
Kiwanis Nursing Home Inc.	4,332	-
NB Federation of Music Festivals Inc	750	-
Roots of Empathy	-	3,800
Sussex Corner Elementary School	1,100	125
Sussex Elementary School	150	125
Sussex Health Centre Services Inc.	-	500
Sussex Middle School	500	125
Sussex Public Library	5,000	1,005
Sussex Regional High School	150	125
Sussex Sharing Club	1,750	1,800
The Kidney Foundation of Canada	-	1,500
The Saint John Theatre Company	1,500	-
The Salvation Army	-	1,800
Town of Sussex - Multicultural Association	10,000	-
Town of Sussex - Sussex & Area Wellness Network	-	5,000
Town of Sussex - Sussex Minor Ball	-	5,000
YMCA of Greater Saint John	2,500	-
	<u>40,100</u>	<u>24,939</u>
SACFI Scholarships	13,000	13,000
Fran Simpson Memorial Scholarships	2,000	1,000
Unsung Hero (Class of 1998) Scholarships	3,000	1,000
Opportunity Scholarship	1,000	1,000
Sussex High Alumni Scholarship	500	500
MacLeod Fund	500	-
	<u>\$ 60,100</u>	<u>\$ 41,439</u>
E.J. Cunningham Scholarship Fund	<u>\$ 2,000</u>	<u>\$ 2,000</u>
Friars Family Scholarships	<u>\$ 2,500</u>	<u>\$ 1,500</u>

Chris Miller CPA
Professional Corporation

Sussex Area Community Foundation Incorporated

Notes to the Financial Statements

(Unaudited)

Years ended July 31, 2022 and 2021

7. Grant Distributions - continued

	<u>2022</u>	<u>2021</u>
PotashCorp Fund		
Apoahqui Elementary School	\$ -	\$ 1,000
Belyea's Cove Community Center	-	2,500
Fundy Civic Centre	12,960	-
Kirk Hill Cemetery	-	2,000
NB Federation of Music Festivals Inc	-	1,500
Pascobac Camp	5,000	2,200
Roots of Empathy	3,800	-
Rotary Club of Sussex Charitable Trusts	5,000	-
Sussex Cardiac Rehab	-	5,000
Sussex Public Library	776	-
Sussex Regional High School	5,000	-
The Saint John Theatre Company	-	1,500
	<hr/>	<hr/>
	\$ <u>32,536</u>	\$ <u>15,700</u>

8. Commitments

The Foundation received a gift from the Estate of Leo Forbes in 2004. The Board of Directors made a commitment to annually award not less than five scholarships of not less than \$2,500 each at the annual Sussex Regional High School commencement ceremonies.

In June 2022, the Foundation awarded Sussex Area Community Foundation Inc. Scholarships of \$2,600 each to five Sussex Regional High School graduates, totaling \$13,000. Payment of these scholarships is conditional on the graduate enrolling in an accredited educational institution.

In 2015 the Sussex High Alumni Fund was established to provide future scholarships to graduates of Sussex Regional High School. One scholarship for \$500 was awarded from this fund in June 2022.

Five scholarships of \$500 each were awarded in June 2022 by the Friars Family Scholarship Fund to graduates of local schools.

In 2022 the Norman MacLeod Scholarship Fund was established to provide future scholarships to graduates of Sussex Regional High School. One scholarship for \$500 was awarded from this fund in June 2022.

Sussex Area Community Foundation Incorporated

Notes to the Financial Statements
(Unaudited)
Years ended July 31, 2022 and 2021

9. Schedule of Community Funds

	Community & Smaller Funds	AX Heritage Fund	Sussex Accessibility Fund	Sussex High Alumni Fund	MacLeod Fund	Community Funds Total 2022	Community Funds Total 2021
Revenue							
Donations and bequests	\$ 3,805	\$ 35,016	\$ 251	\$ 1,299	\$ 15,000	\$ 55,371	\$ 82,788
Interest and dividends	3,138	4,593	2,312	2,776	-	12,819	-
Realized gain - sale of investments	21,692	-	-	-	-	21,692	248,497
	<u>28,635</u>	<u>39,609</u>	<u>2,563</u>	<u>4,075</u>	<u>15,000</u>	<u>89,882</u>	<u>331,285</u>
Expenses							
Investment management fees (Note 5)	20,253	1,144	-	-	-	21,397	18,696
Fund Administration Fee	265	1,714	1,385	356	-	3,720	2,469
	<u>20,518</u>	<u>2,858</u>	<u>1,385</u>	<u>356</u>	<u>-</u>	<u>25,117</u>	<u>21,165</u>
Excess revenue over expenses before other items	8,117	36,751	1,178	3,719	15,000	64,765	310,120
Grant distributions (Note 7)	<u>7,850</u>	<u>3,267</u>	<u>2,000</u>	<u>500</u>	<u>500</u>	<u>14,117</u>	<u>3,500</u>
Excess (Deficiency) revenue over expenses before unrealized gain (loss) - investments	267	33,484	(822)	3,219	14,500	50,648	306,620
Unrealized loss on investments	<u>(96,068)</u>	<u>(2,953)</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>(99,021)</u>	<u>(90,171)</u>
Excess (Deficiency) revenue over expenses	(95,801)	30,531	(822)	3,219	14,500	(48,373)	216,449
Net Assets, beginning of year	<u>1,862,299</u>	<u>90,513</u>	<u>41,657</u>	<u>19,632</u>	<u>-</u>	<u>2,014,101</u>	<u>1,797,652</u>
Net Assets, End of Year	<u>\$ 1,766,498</u>	<u>\$ 121,044</u>	<u>\$ 40,835</u>	<u>\$ 22,851</u>	<u>\$ 14,500</u>	<u>\$ 1,965,728</u>	<u>\$ 2,014,101</u>

10. Subsequent Events

For the purpose of the accompanying financial statements, subsequent events have been evaluated with management through November 25, 2022 which is the date of these financial statements were available to be issued.

During the year, a world-wide pandemic has been ongoing and both the federal and provincial governments have implemented emergency measures that will negatively impact the national and global economy for an undetermined period. The effect of the pandemic and emergency measures cannot be quantified and no allowance or accruals have been recognized in these financial statements.